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U. S. makers assemble 712,778 cars

February output highest since 1979

By Joe Wilssens
Staff Writer

U. S. auto manufactuers slated production of 712,778 units last month, the top sum for February since 738,808 cars were assembled in 1979 and the highest of any month since 783,843 were completed in October, 1979.

Last week, with American Motors down, auto manufacturers estimated completion of 164,276 cars, 2.57 percent below the previous week's production of 168,610 and 29.07 percent above the year-ago output of 116,522 for the week.

The production total for 1984 climbed to 1,460,638 units, up 42.95 percent from 1,021,809 built in the comparable period last year.

Breakdown for the week by company was: General Motors, 61.62 percent; Ford Motor Co., 22.60 percent; Chrysler Corp., 12.91 percent; Honda, 1.44 percent, and Volkswagen of America, 1.43 percent.

AMC's Kenosha (Wis.) facility was down last week, putting 4,800 workers on temporary layoff and 500 on indefinite layoff. The Kenosha plant produces Alliance and Encore models. The plant is expected to return to operation this week.

GM's Orion (Mich.) and Wentzville (Mo.) plants which assemble front-wheel-drive C-cars remained down last week. Orion is expected to resume production today, March 5. Wentzville is scheduled to start later in the week.

Nine of GM's assembly plants scheduled Saturday (March 3) overtime. Working two shifts on overtime were: Arlington (Tex.); Bowling Green (Ky.); Doraville (Ga.); Flint; Framingham (Mass.); Janesville (Wis.); Leeds (Mo.); Lordstown (O.), and Oklahoma City.

Ford's Atlanta and Wixom (Mich.) plants also scheduled Saturday hours.

At Chrysler, Belvidere (Ill.), Newark (Del.) and both St. Louis plants worked two daily 9-hour shifts while Jefferson (Detroit) worked two daily 8½-hour and two Saturday 8-hour shifts.

This wek, Chrysler has scheduled Belvidere, Newark and both St. Louis assembly plants to operate two 9-hour daily shifts. Jefferson Assembly is scheduled to operate two 8½-hour daily shifts.

Caldwell praises the 'genius' of auto engineers, scientists

An upbeat Philip Caldwell gave automotive engineers and scientists a verbal pat on the back last week.

The Ford Motor Co. chairman, speaking at the SAE annual banquet at Detroit's Cobo Hall, said automotive technical people haven't gotten enough credit for the "remarkable technical revolution" that helped modernize and transform the industry.

Caldwell attracted a record banquet turnout of 4,690 people, according to SAE.

The Ford chairman said the industry's "engineers, inventors and creative geniuses" haven't had the full recognition they deserve for their role in "the industrial revolution that has modernized and transformed the most important private enterprise on this continent."

According to Caldwell, cars produced by domestic manufacturers last year were 83 percent more fuel efficient than those of a decade before.

As a result, he said, the U. S. auto industry has done more "to break the stranglehold of the world oil cartel than anything even conceived by politicians and diplomats."

Referring to the industry's efforts to reduce auto exhaust emissions, he told the audience that "the results have been spectacular and the technology you have created is now available for use throughout the world."

Caldwell also got in a plug for the engineers' work on vehicle downsizing and materials innovation, saying they've "done more for the cause of weight reduction than Richard Simmons or Jane Fonda."

Despite these achievements, Caldwell said domestic auto makers still have a lot of work to do to overcome an edge that some competitors around the world still have.

"Until we demonstrate that producing (U.S.) products takes not a single minute more, not an erg of energy more and not a single pound of material more than it takes anywhere else in the world, we still have an unfinished task on our hands," he said.

Canadian makers move up a bit with 24,176 cars

Canadian auto producers slated production of 24,176 cars last week, 859 units more than the prior week's 23,317 and 46.23 percent greater than 16,533 assembled in the year-ago week.

To date this year, the manufacturers have assembled 192,154 autos, 16.44 percent ahead of 165,018 completed during the same period in 1983.

Truck assembly last week was targeted at 17,977 units, down 119 from the previous week's 18,096, but 81.60 percent better than 9,899 built in the year-ago week.

Year-to-date, 146,330 trucks have been completed, a strong 79.30 percent improvement over 81,613 built during the same period last year.

Chrysler Corp. estimated completion of 2,352 Plymouth Voyagers, 2,502 Dodge Caravans and 618 Mini Vans at its Windsor (Ont.) plant last week, bringing the year-to-date T-115 total to 35,921.

Truck production for February is best in five years

U. S. truck production in February was the highest for any month since June, 1979, and the best for February since 1979.

Last month, U. S. truck makers assembled 261,051 trucks, up 51.69 percent from last February's 172,095. In June, 1979, the makers built 292,987 trucks and in February, 1979, they produced 308,358.

Truck production last week was 59,502, down 3.91 percent from the previous week's 61,928, but up 20.88 percent from last year's 49,223.

So far this year, the industry has built 536,994 trucks, up 57.88 percent from last year's 340,132.

General Motors worked Saturday overtime last week on one shift at its Detroit plant and on two shifts in St. Louis.

Nissan worked nine-hour shifts daily last week and also worked Saturday.

At Ford, the Norfolk facility worked Saturday.

GM also announced it will add a second shift for full-size pickups at its Flint plant beginning June 18. About 1,400 workers will be recalled from indefinite layoff.

In addition, GM will begin building its new Astro minivan at the Baltimore plant this summer for a late fall introduction as a 1985 model.

CANADIAN CAR PRODUCTION

	Week Ended March 3, 1984	Week Ended March 5, 1983	Week Ended Feb. 25, 1984	Feb. Est.	Jan. 1 to March 5, 1983	Jan. 1 to March 3, 1984
AMERICAN MOTORS	600	979	609	2,554	5,813	5,351
CHRYSLER CORP.	.....	3,824	.....	.....	37,890	.....
FORD MOTOR	9,500	48	9,318	35,333	34,391	67,057
GENERAL MOTORS	13,851	11,457	13,165	56,539	84,944	117,830
VOLVO	225	225	225	944	1,980	1,916
Total Cars, Canada	24,176	16,533	23,317	95,370	165,018	192,154

TRUCK PRODUCTION IN U. S.†

	Week Ended March 3, 1984	Week Ended March 5, 1983	Week Ended Feb. 25, 1984	Feb. Est.	Jan. 1 to March 5, 1983	Jan. 1 to March 3, 1984
CHEVROLET	18,376	16,462	21,970	84,205	119,655	175,151
DODGE	2,700	3,236	4,280	17,345	19,062	36,272
FORD	24,557	20,279	21,711	97,535	133,869	202,759
GMC	5,845	4,692	5,968	26,088	38,958	54,457
INTERNATIONAL	1,283	1,032	1,426	6,098	7,734	12,105
VOLKSWAGEN	.....	214	.....	.....	309	.....
JEEP	2,841	2,258	3,640	17,140	11,095	30,350
NISSAN	1,850	.....	1,883	8,230	.....	16,654
AM GENERAL	50*	50*	50*	210*	450*	440*
MISCELLANEOUS	1,000*	1,000*	1,000*	4,200*	9,000*	8,800*
Total Trucks, U.S.	59,502	49,223	61,928	261,051	340,132	536,994

CANADIAN TRUCK PRODUCTION

	Week Ended March 3, 1984	Week Ended March 5, 1983	Week Ended Feb. 25, 1984	Feb. Est.	Jan. 1 to March 5, 1983	Jan. 1 to March 3, 1984
CHRYSLER CORP.	8,124	2,269	8,191	31,831	23,915	59,753
FORD MOTOR	3,460	3,185	3,464	14,411	18,937	29,775
GENERAL MOTORS	6,248	4,445	6,293	26,479	37,933	55,557
INTERNATIONAL	145	.....	148	616	828	1,245
Total Trucks, Canada	17,977	9,899	18,096	73,337	81,613	146,330
N. American Trucks	77,479	59,122	80,024	334,388	421,745	683,324

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

U. S. CAR PRODUCTION

	Week Ended March 3, 1984	Week Ended March 5, 1983	Week Ended Feb. 25, 1984	Feb. Est.	Jan. 1 to March 5, 1983	Jan. 1 to March 3, 1984
AMERICAN MOTORS	.....	3,241	4,877	17,368	30,924	31,769
AMC Total	.....	.....	.....	.....	3,326	.....
Eagle	.....	.....	.....	.....	3,326	.....
Renault Total	.....	3,241	4,877	17,368	27,598	31,769
Alliance	.....	3,241	2,446	8,820	27,598	15,962
Encore	.....	.....	2,431	8,548	.....	15,807
CHRYSLER CORP.	21,200	17,928	28,915	113,542	120,578	223,261
Plymouth Total	7,300	6,931	8,415	33,750	44,354	67,688
Horizon	3,200	2,039	3,471	14,157	13,525	27,105
Reliant	3,800	4,830	4,481	17,609	30,334	36,603
Caravelle†	100	62	233	628	495	1,418
Gran Fury	200	.....	230	1,356	.....	2,562
Chrysler Total	6,400	3,566	9,551	37,018	27,511	71,309
LeBaron	2,100	1,614	3,010	11,740	13,922	22,439
Laser	800	.....	1,734	6,584	.....	13,376
Chrysler E-Class	2,100	1,952	1,889	8,697	13,589	18,163
Fifth Avenue	1,400	.....	2,918	9,997	.....	17,331
Dodge Total	7,500	7,431	10,949	42,774	48,713	84,264
Omni	2,300	2,368	3,460	13,185	15,198	24,595
Aries	3,100	3,384	3,378	14,395	22,431	29,384
Daytona	600	.....	1,417	5,166	.....	11,454
Dodge 400	.....	575	.....	.....	4,606	.....
Dodge 600	1,200	1,104	1,701	7,047	6,478	14,405
Diplomat	300	.....	993	2,981	.....	4,426
FORD MOTOR	37,126	25,856	31,476	140,826	237,425	288,280
Ford Division	24,571	17,684	21,852	94,595	153,068	192,009
Escort	7,350	4,406	6,332	30,480	39,388	59,152
Fairmont	.....	.....	.....	.....	23,728	.....
Mustang	2,822	3,417	2,390	10,285	22,012	21,494
LTD	4,624	3,368	4,262	20,182	30,886	42,221
Thunderbird	4,169	4,295	2,635	15,777	23,612	29,859
Crown Victoria	1,499	2,198	1,388	6,060	12,732	13,887
EXP	550	.....	438	2,346	710	5,924
Tempo	3,557	.....	4,407	9,466	.....	19,472
L-M Division	12,555	8,172	9,624	46,230	84,357	96,271
Mercury Total	8,968	6,087	6,528	32,559	65,074	68,498
Lynx	1,539	874	1,180	6,266	10,321	12,336
Capri	369	609	296	1,150	4,492	3,038
Zephyr	.....	.....	.....	.....	8,601	.....
Marquis	2,236	1,113	1,658	8,119	10,605	16,831
Cougar	2,080	1,469	1,517	6,604	9,211	13,820
Grand Marquis	2,125	2,022	1,153	8,077	21,602	16,791
LN7	.....	.....	.....	.....	242	.....
Topaz	619	.....	724	2,343	.....	5,682
Lincoln Total	3,587	2,085	3,096	13,671	19,283	27,773
Continental	664	417	557	2,473	3,851	5,112
Lincoln	2,244	895	1,935	8,584	8,426	14,197
Mark VI/VII	679	773	604	2,614	7,006	8,464
GENERAL MOTORS	101,225	66,980	98,675	421,591	612,890	876,438
Buick Division	22,648	17,748	18,273	90,951	148,552	189,743
Skylark	2,573	2,967	.....	8,662	18,342	17,810
Skyhawk	3,792	1,368	3,073	13,466	12,859	29,309
Century	5,120	3,513	4,907	20,521	26,175	40,553
Regal	4,770	4,294	4,069	19,582	44,806	41,079
Buick	5,294	4,812	5,133	23,181	40,098	48,729
Riviera	1,099	774	1,090	4,807	6,272	10,770
Electra (fwd)	.....	.....	1	732	.....	1,493
Cadillac Division	6,345	6,781	7,197	29,113	61,002	60,130
Cimarron	433	488	509	1,988	4,614	4,093
Seville	888	729	909	3,620	6,643	7,097
Eldorado	1,552	1,562	1,561	6,497	14,130	13,108
Cadillac	3,472	4,002	4,218	16,373	35,615	34,548
DeVille (fwd)	.....	.....	.....	635	.....	1,284
Chevrolet Division	34,609	17,888	36,377	147,737	174,870	302,565
Chevette	4,902	4,575	5,760	19,472	35,517	38,395
Cavalier	9,142	3,435	8,951	36,050	30,490	75,586
Celebrity	5,769	821	6,828	28,491	9,839	53,707
Camaro	5,178	2,046	5,207	22,106	32,459	47,662
Citation	2,287	1,176	2,150	8,926	19,734	17,320
Malibu/El Camino	717	2,833	683	2,956	23,213	5,595
Monte Carlo	3,586	1,674	3,700	16,346	14,167	36,232
Chevrolet	2,278	962	2,538	10,326	7,880	21,554
Corvette	750	366	560	3,064	1,571	6,514
Oldsmobile Division	26,167	18,765	24,692	106,390	167,276	225,210
Omega	1,297	2,159	.....	4,228	13,853	8,716
Firenza	1,590	797	1,323	5,529	6,758	12,917
Cutlass Supreme	7,682	5,082	7,989	32,070	49,555	67,218
Cutlass Ciera	5,891	3,020	4,609	21,066	28,268	45,254
Oldsmobile	8,814	6,856	9,907	39,051	61,632	81,906
Olds 98 (fwd)	.....	.....	.....	645	.....	1,336
Toronado	893	851	864	3,801	7,210	7,863
Pontiac Division	11,456	5,798	12,136	47,400	61,190	98,790
Acadian†	450	409	456	1,601	2,674	3,117
2000 Sunbird	3,019	1,453	3,548	12,616	14,509	26,212
1000	790	1,082	921	3,562	7,117	7,284
Firebird	2,240	1,103	2,205	9,334	14,876	20,161
Phoenix	327	.....	293	1,239	5,198	2,892
G. Prix/Bonneville	1,560	1,751	1,420	6,057	16,816	12,987
Parisienne	440	.....	522	2,014	.....	4,207
Fiero	2,630	.....	2,771	10,977	.....	22,020
HONDA	2,375	588	2,277	9,449	3,553	20,004
VOLKSWAGEN	2,350	1,929	2,390	10,007	16,439	20,886
Total Cars, U.S.	164,276	116,522	168,610	712,778	1,021,809	1,460,638
Total Cars, Canada	24,176	16,533	23,317	95,370	165,018	192,154
N. American Cars	188,452	133,055	191,927	808,148	1,186,827	1,652,792
N. American Trucks	77,479	59,122	80,024	334,388	421,745	683,324
North American Cars and Trucks	265,931	192,177	271,951	1,142,536	1,608,572	2,336,116

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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For the year 2000

Volvo LCP: Of sea water and cooking oil

Volvo's vision of the sporty commuter car for the year 2000 is a 1,560-pound two-seater that can carry two extra passengers in rear-facing seats or 1,000 pounds of cargo. Made of plastic, aluminum and magnesium derived from sea water by a Norweigan company, the LCP's most successful engine so far is a three-cylinder diesel that can also burn rapeseed oil and power the car to 112 MPH. More on the engineering project on Page 57.

1.5 million autos in stock; days' supply sliced to 59

By Richard A. Wright
Assistant Managing Editor

The domestic auto makers pushed their stockpile of new cars up over 1.5 million units during February, but sales more than kept pace and the industry entered March with a 59-day supply, down from 63 days a month earlier.

The March 1 inventory totaled 1,537,290 units, compared with 1,477,399 a month earlier. A year ago, the domestic new-car inventory totaled 1,248,384, a 68-day supply.

The overall inventory situation could hardly be a lot better, since the rule of thumb is that a 60-day stock is ideal. But shortages continued in a number of lines and dealers found many of the hot-selling models even harder to get than usual.

The March 1 unit count was the first to exceed 1.5 million since Aug. 1, 1981, when 1,675,193 represented an alarming 87½-day supply.

All corporate makers except Volkswagen of America trimmed their days-supply figures during February, but in terms of unit count, only American Motors, Ford Motor Co. and Honda reduced their stockpiles.

• General Motors opened March with a 58-day supply, down from 60 days a month earlier, despite the addition of more than 50,000 units to its inventory. Fiero was still in very short supply, as was Buick Electra at the other end of the size scale. X-bodies were in heavy supply.

Ford Motor Co. weighed in with a trim 56-day supply March 1, down from 69 days a month earlier. Ford's stock included an emaciated 25-day inventory of Lincolns.

Chrysler Corp. had a 65-day supply March 1, down from 70 days on Feb. 1. AMC opened March with a 70-day supply, down sharply from 94 days a month earlier.

VWoA's stockpile was the heaviest of the corporate makers at 88 days, while Honda's supply of U.S.-built Accords was lowest at 13 days. A month earlier, VWoA had a 72-day stock. Honda a 19-day supply.

The March 1 domestic new-car inventory was divided this way: GM, 56.85 percent; Ford Motor Co., 24.36 percent; Chrysler Corp., 13.54 percent; AMC, 3.38 percent; VWoA, 1.53 percent, and Honda, 0.34 percent.

Table on Page 58

A month earlier, the domestic inventory was divided as follows: GM, 55.57 percent; Ford Motor Co., 25.80 percent; Chrysler Corp., 13.14 percent; AMC, 3.64 percent; VWoA, 1.41 percent, and Honda, 0.44 percent.

By size class, compacts and intermediates — the largest segments—were above the industry average in days supply, while luxury, standard and subcompact groups were below the 59-day level.

On March 1, the industry had the following days supplies by market class: Subcompact, 53; compact, 66½; intermediate, 60; standard, 53½, and luxury, 44.

A month earlier, days-supply figures by market class were: Subcompact, 57; compact, 76; intermediate, 63; standard, 55, and luxury, 38.

The March 1 domestic inventory was divided this way be-

Continued on Page 58, Col. 1

Suits against Porsche could top $1 billion

By John A. Russell
New York Staff Writer

NEW YORK. — Porsche AG has been put on notice that it could face legal action by its U. S. dealers totaling over $1 billion in penalties because of its proposed distribution plan for the U. S.

But the German auto maker's problems over the plan took a more immediate form as Volkswagen of America entered the fray by filing administrative protests with two state motor vehicle boards, protesting the nonrenewal of its distribution contract for the U. S.

Within the past two weeks, Porsche has been attacked on several fronts over the plan, which would effectively abolish the franchise dealer network for the company.

The Volkswagen actions were filed before the California New Motor Vehicle Board and the Nevada Department of Motor Vehicles. Both these agencies regulate the auto franchise system.

On the dealer front, Porsche dealers representing 80 percent of the sales for Porsche in the U. S. formed a Porsche Dealers Action Committee with a $1 million legal warchest to begin the fight to stop the Porsche plan.

The new group told Porsche management in Germany it intends to fight in the courts and it said that under U. S. law Porsche could face penalties of over $1 billion.

• The VWoA action, while filed in two states, is only the beginning, according to a spokesman. Similar actions will be taken with boards in 10 states within the next 30 days and four more states within the next 60 days. The time frames are determined by the individual states for filing these protests. VWoA is

Continued on Page 57, Col. 1

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breaking news

UAW to merge Detroit-area regions

DETROIT.—Delegates to the UAW's Collective Bargaining Convention last week voted to reduce the number of union regions in the Detroit area from six to four as regional directors die or retire. The change is not expected before 1989. The move, a cost-cutting measure, will also reduce the number of regional directors from 18 to 16. The membership in the four regions involved in the merger dropped from 311,298 in 1979 to 188,159 in 1983, thereby slashing dues receipts. UAW membership has dropped 400,000 since 1979.

Emission-control process to be revealed

DETROIT. — Nelco Chemical Co., a supplier to the auto industry, this week will announce the results of its three-year project with General Motors in developing a viable hydrocarbon-emissions-control process that will enable the U. S. auto industry to meet the 1987 Clean Air Standards. The process is said to be cost-effective and to have environmental and productivity/profitability advantages.

UAW still talking merger with other unions

DETROIT. — The UAW is still talking about merger with other unions, including the International Assn. of Machinists and a group in Wisconsin, according to UAW President Owen Bieber. Bieber refused to name the Wisconsin organization, but said he expects to call a press conference within a month to talk about the merger.

Market share cut in half to 2 pct. in '83

Diesel here to stay despite setback

By Richard Johnson
Staff Writer

Barring another shakeup in world oil supplies and a sudden surge in gasoline prices, sales of diesel-equipped passenger cars in the U. S. are expected to limp at their current depressed levels — at least for the short term.

However, both foreign and domestic manufacturers of the diesel say the engine will never disappear entirely from the American automotive scene, and many industry observers and spokesmen still think the diesel may occupy a substantial share of the U. S. market by the end of the decade and beyond.

Gone are the days when auto executives predicted that a quarter of all passenger cars sold in the U. S. in 1990 would be powered by diesels. But advancing diesel technology and expected long-range increases in the cost of fuel could solidify a place for the engine in this country — even without a major shut-off of oil pipelines.

With the stabilization of gasoline prices, diesel car sales have fallen dramatically since 1981. Diesel deliveries tumbled 45 percent last year and accounted for less than 2 percent of overall car sales in 1983, compared with nearly 4 percent in 1982 and just under 6 percent in 1981.

Sales dipped to 173,275 units last year from 313,407 in 1982 and 509,133 in 1983, the domestic industry's peak year for selling diesel cars.

Among import and domestic makes selling diesels in the U. S., only Mercedes-Benz and Volvo reported increases during the 1983 calendar year. Mercedes registered a 4 percent gain in 1983 and zoomed past Oldsmobile into the top spot among marketers of diesel passenger cars in this country.

• Meanwhile, the five General Motors car divisions saw their diesel sales shrink by staggering percentages. Chevrolet was off by 82 percent, Cadillac was

Continued on Page 37, Col. 1

Surprise in NHTSA proposals for '86 and '87

Truck CAFE rules may be eased

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The long overdue proposed light truck CAFE standards for '86 and '87 models take a unique approach — getting easier rather than harder.

NHTSA is proposing a range for the combined (4x2 plus 4x4) CAFE standard from 20.0 to 21.5 MPG for '86 models and from 20.0 to 22.5 MPG for '87 models. In other words, NHTSA is saying the '86 and '87 combined standards need be no higher than the current ('84 model) combined standard of 20 MPG.

In fact, in the text, NHTSA suggests that a standard even lower than the bottom of the range may occur.

NHTSA also proposes a standards range for '86 models for 4x2 and 4x4 light trucks. These would range from 20.3 to 22.3 MPG for 4x2s and from 18.5 to 19.5 MPG for 4x4s.

For '87 models, the range would be 20.3 to 22.9 MPG for 4x2s and 18.5 to 21.5 MPG for 4x4s.

The relatively large differences between the upper ends of the ranges for the 4x4s compared with the 4x2s and the combined CAFE comes from plans of the truck makers to discontinue some models with low fuel economy and increase the fuel economy of other models.

The agency says it is particularly interested in comments on the "appropriateness" of its adopting standards for '86 and '87 models that "would break the pattern of annual increases" in the light truck fuel economy standards.

But it may also be surprised at comments it gets because there is a possibility that the standards which Congress created to improve fuel economy will start to go backwards instead of forwards—or as NHTSA puts it, "lead to actual reductions in the standards."

• The NHTSA proposal is frankly geared to accommodate Ford and General Motors, since they account for some two-thirds of light-truck sales in the U. S. But actually, Ford is being given the highest consideration since its share is 30 percent and its plight worse.

"Since . . . GM's potential fuel economy capability is not projected to be dramatically higher than Ford's, setting standards at GM's level would achieve little, if any, additional fuel savings," NHTSA says. "Moreover, the potential adverse impacts of placing Ford in a noncompliance situation are great, given that company's recent losses and its debt position."

For example, says NHTSA, if standards were set above Ford's level, the company might restrict product and thereby undercut its economic and competitive position. And other companies would not likely lower their own fuel economy. GM, for example, probably could not since its improvements are "built-in and therefore not readily removable." Thus, the benefits of setting standards "above Ford's level appear relatively small and speculative but the potential adverse impacts of such an action on Ford could be severe."

In fact, NHTSA "tentatively concludes that the standards could not and should not be set at levels above those achieved by Ford."

• The proposed '86-'87 light truck CAFEs, geared toward Ford as they are, hint at least that NHTSA will grant Ford's petitions on light-truck CAFEs for '84 and '85 models.

Last November, Ford petitioned for the combined CAFE for '83 remain the same for '84 models (19 MPG) and the combined CAFE for '84 stay the same for '85 models (20 MPG). Ford also petitioned for change in the 4x2 standards for those years.

In January, Ford amended its petition because it found its projections worsening by 0.5 MPG. Then it asked for a 19.5 MPG combined CAFE for '85s and reduced standards for both 4x2s and 4x4s—to 19.7 MPG and 18.9 MPG, respectively.

Even later, GM supported Ford's petition.

Meanwhile, Chrysler — which boasts of its passenger-car fuel economy—said in its pre-model 1984 report that it expects only 18.5 MPG — 1.5 MPG short of the standard. However, Chrysler says it will use carryback credits (ones it does not yet have), but Chrysler did not petition for a change.

In order to propose standards which may not be any tougher but may actually start to reverse direction—which was certainly not the intent of Congress when it wrote the law in 1975—NHTSA has had to reinterpret what is meant by "maximum feasible," "technological feasibility," and "economic practicability."

These changes in interpretation "together with projections concerning model and option mix shifts" are what lead to the possibility of "little, if any, annual fuel economy improvement."

• NHTSA notes that some technology may cost so much that manufacturers might want to spend money in other ways.

NHTSA also says the range of the proposed standards could raise retail prices as much as $155 per vehicle compared to the '85 baseline, but this should be offset by gasoline savings of as much as $439 per vehicle. The agency also notes that although the profitability outlook for the makers has improved dramatically, it was preceded by a long period of losses for the domestic makers and, therefore, its projections for future capital investment in fuel economy is "cautious."

Besides, NHTSA says, the general outlook is also uncertain and projecting vehicle sales is hard, especially if interest rates rise.

NHTSA also announced it is considering whether standards should be set on the basis of light-truck size — for example, separate ones for the range of 6,001 to 8,500 GVW on the theory these are most likely to be in commercial use, or perhaps no standards at all for these weights.

The agency also warns that after EPA sets NOx standards for light-duty trucks—effective possibly as early as 1987 models —it may reconsider these CAFE standards. So far, EPA thinks fuel economy will stay the same or even be enhanced with three-way catalysts and EEC.

Finally, it should be noted—

Continued on Page 55, Col. 1

Pace car miniature

Bird Automotive, Inc., Omaha, manufactures this 1984 mini Pontiac Fiero Indy Pace Car. The car features a 3-HP engine, will go about 15-18 MPH and holds an adult, the company said. This baby Fiero and other replica mini vehicles made by Bird are used as sales tools for the promotion of the full-size vehicles.

Opel-designed sedan could be exported to U. S.

GM looks to Korea for new small car

DETROIT. — General Motors has announced a tentative agreement with Daewoo Corp. of Korea to jointly produce a small, Opel-designed passenger car near Seoul, Korea, beginning with the 1987 model year.

Up to half of the vehicles manufactured under the venture would be available for export to other countries, including the U. S., GM said last week. The proposed factory would be capable of producing 167,000 cars annually.

GM and Daewoo, a major Korean conglomerate, each own half of Daewoo Motor Co.

A "memorandum of understanding" between the two partners calls for each to contribute $100 million toward construction of the new manufacturing facility. Daewoo would borrow the remainder needed to cover a project cost estimated by GM at more than $400 million.

Further details of the agreement remain under discussion and are subject to approval by the South Korean Government, according to GM.

The joint venture is the first move by an American auto maker to link up with the Korean auto industry for production of cars which may be headed for the U. S. market.

Korean manufacturers are viewed as a low cost alternative to joint agreements with Japanese firms, which are currently restricted by voluntary export limitations.

• GM's plans to begin importing this year a relatively large volume of subcompacts and minisubcompacts from Japan's Suzuki Motor Co. and Isuzu Motors, Ltd., for Chevrolet have been frustrated by export quotas imposed by the Japanese Government.

Isuzu, which is 34 percent owned by GM, has been restricted to about 33,000 cars for GM for the one-year period beginning April 1. Suzuki, which is 5 percent controlled by GM, will be held to 17,000 cars. GM had hoped to bring in as many as 300,000 vehicles a year from its two Japanese partners.

With tight restraints on Japanese imports, U. S. auto makers have reportedly taken a new interest in possible Korean ventures. Meanwhile, Korean automobiles are making their first appearance in North America this year as Hyundai Stellar compacts go on sale in Canada.

Hyundai Motor Co. is expected to enter the U. S. domestic market in the near future, possibly with a new front-wheel-drive model.

Daewoo and GM have plans for construction of assembly, stamping and engine facilities in Bupyong, Korea, which is located about 20 miles southwest of Seoul. The plant will produce front-wheel-drive subcompacts designed by GM's West German subsidiary, Adam Opel A.G.

• A GM spokesman would not comment last week on speculation that the Korean car will eventually be imported by Pontiac to replace the division's subcompact 1000 model, a version of the Chevrolet Chevette. However, Pontiac General Manager William Hoglund has reportedly said the division is considering importing a Korean model.

According to the GM spokesman, the two companies do not have a timetable on completion and approval of a final agreement. However, he predicted that production of the new cars will begin in the fall of 1986.

Johnson, Krebs named to staff of Automotive News

Richard Johnson and Michelle Krebs have been appointed staff writers for Automotive News.

Johnson formerly was news editor of Spinal Column Newsweekly and Business Monthly, two publications in suburban Detroit.

Krebs comes to Automotive News from Financial Diagnostics, a Detroit-area financial planning magazine.

"We are pleased to announce these additions to the Automotive News editorial staff," said Keith E. Crain, publisher and editorial director. "It is one more step in our continuing effort to provide effective coverage of this increasingly complex industry."

Johnson is a graduate of Oakland University; Krebs, of Syracuse University.

Richard Johnson

Michelle Krebs

Two service contracts readied by Mitsubishi

By Matt DeLorenzo
Los Angeles Reporter

FOUNTAIN VALLEY, Calif. — Two new extended service policies, one for new and the other for used cars, will be offered this spring by Mitsubishi Motor Sales of America.

The new-car service contract, which will be called the Triple Diamond Protection Plan, provides coverage for five years or 50,000 miles.

The used-car coverage, called Mechanical Breakdown Protection Plan, will offer the consumer a choice of months/mileage protection. Both programs will be administered by American Fidelity Insurance Corp.

According to Thomas C. Benson, MMSA service vice president, the new-car contract will provide "bumper-to-bumper" coverage that excludes only a few items, such as tires, paint, batteries and normal maintenance services recommended by the manufacturers.

Triple Diamond Protection covers turbocharged vehicles at no extra cost, towing coverage up to $75 per repair incident and $20 per day rental car allowance.

The protection plan is transferable to the subsequent owner and limits the $25 deductible on repairs up to $100, while repairs over that amount will automatically have the deductible waived.

The used-vehicle protection protection plan is offered in 12-month/12,000 miles or 24 month/24,000-mile contracts with a high-mileage vehicle option.

The two plans will be offered in Western and Plains states April 1, followed by a May 1 launch in the Midwest and East, with the last introduction scheduled for Florida June 1.

index

Auction reports	43
Book reviews	53
Classified advertising	44
Editorial page	12
Obituaries	55
Production by makes	59
Truck highlights	16

59th year — No. 5012

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More from Geneva

Hotter Fiat

Fiat Argenta VX, given extra surge with a supercharged engine, was displayed at the Geneva Auto Show. The 2-liter Argenta VX has a 101-inch wheelbase and is 175 inches long.

Cabrio from Bertone

Bertone, of Torino, Italy, is marketing this Cabrio for sun lovers. It is aimed at the European market and there are no plans currently to offer it in the U. S.

Citroen for competition

Citroen Visa 1000 Pistes was developed for Group B motorsport. Its 1.4-liter engine offers 112 HP. The rather modest and conventional 4x4 conversion will cost $15,000 in France. Some 200 will be made for purposes of homologation. It will not be sold in the U. S.

An Alfa wagon by Zagato

Zagato Industrial Design developed this version of the Alfa Romeo 33 station wagon for exhibit at the Geneva Auto Show. Zagato calls it the Free Time. It can be configured to seat six, four, three or two persons.

Against a backdrop of a chaotic market

Few new products bow at Geneva

By Richard Feast
European Editor

GENEVA. — It was hard to tell that Europe is on the brink of record car sales when the doors to the annual Geneva Auto Show swung open.

In Switzerland last year, new-car registrations made an uncharacteristic downward movement (5.4 percent to 290,900) after new emission regulations reduced the variety of models on offer. This year the concern is speed limits, with every prospect of a 62-MPH restriction being imposed.

To the north, in West Germany, labor and management lumbered closer toward confrontation over the length of the working week. Lead in gasoline was once more featured in the speeches of every German auto executive in Geneva. As the major supplier of cars to Switzerland (42 percent), what happens in Germany will have deep reverberations here.

The situation in France is little better, although the truck drivers' strike the week before the show paralyzed the country. If a nation can shudder to a halt on account of so little, who needs new cars? Prospects for recovery in this respect are not good.

The drivers' action was against a background of large-scale layoffs across the whole industry. Talbot's labor cuts are to be followed by similar actions at Citroen and Renault.

• The issues seem especially parochial when it is apparent the motor industry is more and more thinking in global terms. Perhaps the national issues stem from the industry's increasingly international perspective.

Some examples: The recent East-West agreements made by Renault and Volkswagen, the very idea of an Italian Cadillac, the U. S. sending diddy little engines to Europe when all the world knows it only makes V-8s, Brazil steadily becoming a major exporter for Fiat, VW, Ford and GM, and Chevrolets made in Japan. No wonder the world is in turmoil!

The lack of new products at Geneva merely served to confuse the customer. Europeans are going to buy more cars this year than any in history, yet the only real novelties were the Renault 25 (already seen) and an interesting new engine and gearbox built by Porsche for a company that most people have never heard of.

And yet, competition has never been closer. The Big Six are covered by only 1.5 percentage points, and a false move by one could send it plunging from second to sixth.

In addition, the combined Japanese importers sold more than ever — over one million units, or one out of every 10 cars purchased. And this despite being denied full access to about 4 million customers in Italy, France and Spain because of sales restraints.

Geneva's major world premier was a new four-cylinder engine designed by Porsche for Spain's Seat. Porsche is reputed to have slipped the Spanish government (financial prop to Seat) a bill for $33 million for the privilege.

The engines are a single carburetor 1.2-liter (63-HP) and a 1.5-liter twin carb (85-HP). Alloy, crossflow cylinder heads are used.

Heron combustion chambers enable high compression ratios to be used with low-octane fuels.

While Seat has an engine it will not have its new Ibiza hatchback until June. This car, together with a model known as S-3 and to be launched in a year's time, will form the basis of an export drive into Europe by Seat, starting in earnest in 1986.

American Motors Chairman Paul Tippett was on hand to introduce Europeans to the new Jeep Cherokee station wagon which will be introduced in Europe this fall.

The belief is that AMC can sell up to 4,000 Jeeps of all types in Europe. It is looking for half that number of the new model by 1985, with strong showings in France and Belgium, where distribution will be by Renault.

In the fall a turbo diesel (by Renault) will be made available in the U. S.

Ferrari's homologation special, the GTO, will be the most expensive Ferrar ever—$97,000. The 400-HP car will not be sold in the U. S. Only 200 will be built, to comply with Group B racing regulations. It must be seen as a Ferrari response to the Porsche Gruppe B shown at last fall's Frankfurt show. That car will be homologated for the 1985 racing season.

It is not just the exotic auto makers interested in competition. PSA's Peugeot and Citroen divisions are homologating 200 models each for international rallying.

Citroen's Visa Mille Pistes is a more conventional and modest 4x4 conversion which will cost $15,000 in France. But the Peugeot 205 Turbo 16 (also four-wheel-drive) has a mid engine and will cost $37,500. Even then, Peugeot says it is a bargain.

Also thinking 4x4 but more realistically, Pininfarina and Alfa Romeo exhibited a station wagon version of the 33 with the system.

Audi has nailed its colors to the 4WD mast already. But when the VW group chairman said in a speech that a Quattro version of the 100 sedan was on the Audi stand, everyone rushed back to look for what they had missed. They hadn't, but it will be announced shortly.

Still talking 4x4, BMW sales director Hans Erdmann Schonbeck confirmed that his company will bring out such a car. He refused to give more details — except to underline that it will be an all-BMW project.

• Thanks to quickening production at Bremen, Daimler-Benz will build well over half a million cars this year. It has never hit that mark before, and clocked up a record 476,000 only last year.

On similar (but more modest) lines, Jaguar Cars will build almost 33,000 cars this year. That, too, will be a record.

The price competition in Scandinavia is heating up. After Brazilian-made Ford Escorts, VW will sell Seat-made Polos from Spain there this year.

Domestic sales climb 48 pct. for February

By Jenny L. King
Staff Writer

February new-car sales results continued the winning streak begun a full 12 months earlier, with the domestics reporting a 48.03-percent increase for the month and imports up 0.60 percent. The industry total was up 34.04 percent.

Domestic dealers retailed 655,016 new passenger cars during the leap-year month, more than 200,000 units ahead of February, 1983, and highest for the month in seven years. Back in 1977, 665,978 sales were reported in February.

Import sales were up only 1,000 from a year ago and their market penetration plunged to 22.14 percent from a record 29.64 percent in 1983. February import sales numbered 186,218, up from 185,109.

Combined sales for the first two months totaled 1,619,792, up 32.71 percent from 1,220,533 in 1983. Domestics were up 44.57 percent, to 1,238,445 from 856,619, and imports climbed 4.79 percent, to 381,347 from 363,914.

Ford Motor Co.'s February sales showed the greatest growth among the domestics in a year-to-year comparison. Ford was up 61.42 percent, to 165,170 from 102,321. General Motors was up 42.95 percent, to 373,910 from 261,560.

Chrysler Corp. sales of 80,425 new cars were 41.01 percent ahead of the year-ago 57,034. American Motors was up 24.65 percent, to 18,442 from 14,795. Volkswagen's U. S.-built Rabbit sedans were up 20.63 percent, to 6,654 from 5,516, and Honda multiplied its year-ago total by eight, climbing to 10,415 from 1,253.

• GM's share of the month's market slipped to 57.08 percent from 59.11 percent last year. Ford was up to 25.22 percent from 23.12 percent. Chrysler dipped to 12.28 percent from 12.89 percent. AMC was down 0.53 percentage points, to 2.82 from 3.35 percent. VW dropped to 1.01 percent from 1.25 percent, and Honda claimed 1.59 percent compared with 0.28 percent a year earlier.

AMC, whose product line has been trimmed from three nameplates a year ago to just one at present, was the only domestic make unable to surpass its February, 1983, sales mark. AMC was down 59.82 percent, while the Renault branch of the family was up 61.18 percent.

At GM, Buick reported February sales of 72,251 units, up 25.76 percent from 57,451 a year ago. Cadillac was up 28.27 percent, Chevrolet was up 45.35 percent, Oldsmobile was up 37.81 percent to a record 96,956 from 70,282 and Pontiac nearly doubled its sales with a 90.31-percent increase.

Plymouth was up 37.73 percent, Chrysler was up 46.67 percent and Dodge was up 40.34 percent. Ford reported a 57.68-percent sales increase, Mercury

Continued on Page 54, Col. 1

Subaru to extend financial services to other makes

NEW YORK. — Subaru of America will extend the services of its subsidiary, Subaru Financial Services (SFS), to non-Subaru automobiles, both new and used, according to Harvey Lamm, president and chief executive officer of Subaru of America.

Lamm told a group of auto analysts here that SFS has been particularly successful.

For fiscal year 1983, SFS had outstanding loans and paper of $35 million. Robert Reich, executive vice president for finance and corporation treasurer, noted that 13 percent of the Subaru dealer body makes use of the services.

SFS has car financing, extended warranty and other programs.

ATAM officers

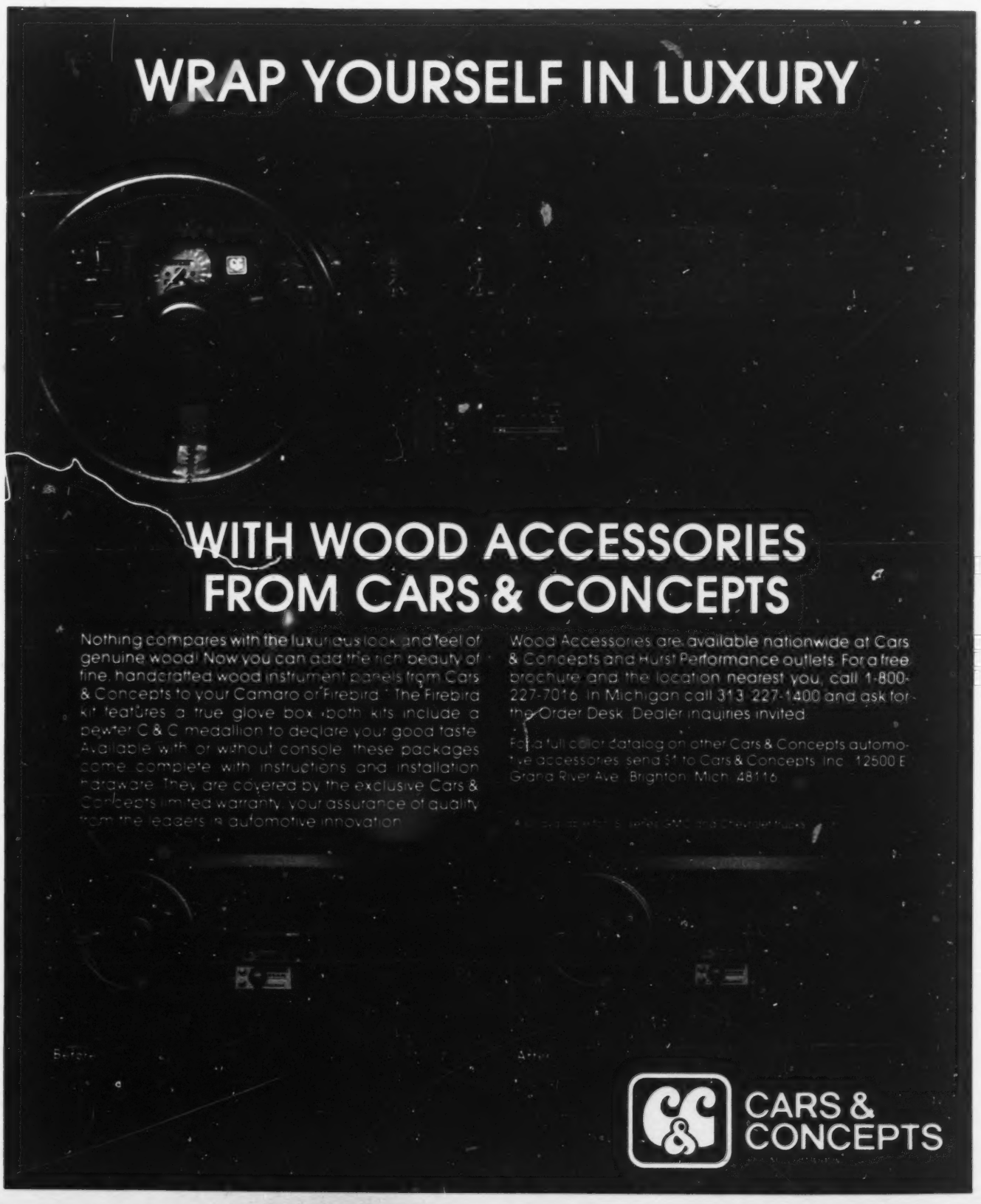
The 1984 officers of the Automotive Trade Assn. Managers (ATAM) are, from left: B. Wade Isaacs, North Carolina Automobile Dealers Assn., secretary-treasurer; William F. Morie, Georgia Automobile Dealers Assn., president; Richard K. Welte, Niagara Frontier Automobile Dealers Assn., vice president-president elect, and Keith W. Howard, Automobile Dealers Assn. of North Dakota, immediate past president.

Import sales by nameplate

	January, 1984	January 1983
Alfa Romeo	158	132
Audi	5,230	2,738
4000	1,106	749
4000d	.....	186
5000/S	2,664	979
5000d/td	.....	306
5000 turbo gas	813	210
Coupe	288	230
Quattro	7	71
4000 S Quattro	358	.....
Tourist	.....	7
BMW	4,263	3,732
318/320	2,634	2,389
528	803	859
633	231	168
733	595	316
Chrysler/Mitsubishi	9,260	6,910
Colt	7,087	5,144
Conquest/Sapporo/ Challenger	809	1,766
Vista	1,364	.....
Fiat	.....	449
Strada	.....	76
Brava	.....	22
X 1/9	.....	48
Spider 2000	.....	253
Honda	35,262	30,425
Civic	11,343	13,661
Civic CRX	4,119	.....
Accord	13,536	16,486
Prelude	6,264	278
Isuzu	1,202	1,646
I-Mark	432	1,646
Impulse	770	.....
Jaguar	1,055	691
XJ6	913	.....
XJS	142	.....
Lancia	.....	92
Mazda	13,235	13,482
GLC	3,239	3,391
626	5,469	6,479
RX-7	4,527	3,612
Mercedes-Benz	6,381	3,984
190D	830	.....
190E	751	.....
240D	8	753
300D	1,275	1,085
300CD	121	125
300TD	246	179
300SD	1,323	856
380SE	472	.....
500/380SEL	390	362
380SL/SLC	791	518
500/380SEC	174	105
Miscellaneous	.....	1
Mitsubishi	3,333	1,279
Starion	614	288
Cordia	1,376	525
Tredia	1,343	466
Nissan	37,036	40,916
210	.....	130
Sentra	16,984	18,041
310	1	646
Pulsar	3,445	4,806
Stanza	4,664	4,197
Maxima	5,080	5,108
200SX	143	2,966
300ZX/280ZX	6,216	4,766
Hawaii	503	256
Other	.....	.....
Peugeot	1,512	1,060
Gas	1,162	578
Diesel	350	472
Tourist	.....	10
Porsche	1,925	1,637
944	1,280	935
911SC	461	396
928	184	278
Tourist	.....	28
Renault	1,311	1,790
LeCar	.....	709
18i	104	204
Fuego	1,207	877
Saab	2,708	2,071
900	717	493
900S	758	481
Turbo	1,150	1,071
Tourist	83	36
Subaru	13,450	12,248
Toyota	39,992	42,607
Starlet	110	1,223
Corolla	11,910	11,581
Tercel	7,781	14,322
Celica	6,400	8,988
Supra	2,178	2,640
Camry	5,329	.....
Corona	.....	5
Cressida	2,639	3,062
Land Cruiser	.....	374
VanWagon	2,703	.....
Hawaii	656	412
Volkswagen	8,424	5,457
Rabbit Convertible	758	667
Jetta	4,059	1,463
Vanagon	1,463	1,023
Quantum	1,231	1,146
Scirocco	913	1,158
Volvo	9,392	8,261
DL	4,528	4,263
GL	2,442	1,632
GLT/Turbo	1,151	1,212
GLE	.....	94
DL/DL Diesel	335	645
Coupe	.....	1
760 (gas)	550	92
760 TurboDiesel	290	165
Tourist	96	157
TOTAL IMPORTS	195,129	181,607

Electronics in history

WASHINGTON.—The Smithsonian Institution has a new exhibit called the History of Microelectronics. Displayed in a large case are such artifacts as first transistors, crystals and examples of integrated circuit technology.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